



General Assembly

February Session, 2014

Raised Bill No. 5410

LCO No. 1743



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

***AN ACT CONCERNING GAS COMPANIES' COST RECOVERY OF
LOST AND UNACCOUNTED FOR GAS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-19b of the 2014 supplement to the general
2 statutes is amended by adding subsection (m) as follows (*Effective from*
3 *passage*):

4 (NEW) (m) The authority shall adopt regulations, in accordance
5 with chapter 54, to specify the manner in which a gas company
6 calculates lost and unaccounted for gas in establishing the purchased
7 gas adjustment clause. The authority shall establish a fixed factor of
8 adjustment to allow a gas company to recover the cost of lost and
9 unaccounted for gas based on the amount of gas sales, regardless of
10 gas purchases, in a manner that incentivizes a gas company to (1)
11 significantly reduce the disparity between the sum of all gas received
12 by such company and the gas output by such company, and (2)
13 minimize actual gas losses. Such factor of adjustment shall be
14 established in the gas company's next general rate case and applied in
15 subsequent purchased gas adjustment clause proceedings. If the

16 allowed gas output exceeds the actual gas output, the gas company
17 shall keep the gas cost recovery for those purchases that were not
18 necessary. If the actual gas output exceeds the allowed gas output, the
19 gas company shall (A) absorb the cost and shall not be allowed to
20 recover above the fixed factor of adjustment, and (B) submit a report to
21 the authority that (i) identifies factors impacting lost and unaccounted
22 for gas, and (ii) develops, prioritizes and implements cost-effective
23 solutions.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	16-19b
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Statement of Purpose:

To limit the amount of lost and unaccounted for gas that a gas company can recover from ratepayers.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]